



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Amperif Corporation

File: B-240884

Date: December 21, 1990

Harvey J. Volzer, Esq., Killcarr & Volzer, for the protester.
Thurman A. Kelly, Esq., Department of the Air Force, for the agency.

C. Douglas McArthur, Esq., Andrew T. Pogany, Esq., and
Michael R. Golden, Esq., Office of the General Counsel, GAO,
participated in the preparation of the decision.

DIGEST

1. Agency may accept a general price reduction by a General Services Administration automatic data processing schedule contractor at any time prior to award.
2. Purchases from the General Services Administration automatic data processing schedule contract do not require a common cutoff date for receipt of best and final quotations.

DECISION

Amperif Corporation protests the issuance by the Department of the Air Force of a delivery order for 16 gigabytes of direct access storage devices to Unisys Corporation under General Services Administration (GSA) schedule contract No. GS00K-90-AGS5752. Amperif contends that the agency engaged in a price auction.

We deny the protest.

On June 27, 1990, the agency published a notice in the Commerce Business Daily (CBD) of its intent to issue a delivery order against the Unisys GSA automatic data processing (ADP) schedule contract, for the storage devices and peripheral equipment, necessary to connect to a Unisys 2200/611 mainframe computer installed under an existing contract between Unisys and the Air Force. As required by the Federal Information Resources Management Regulation (FIRMR), 41 C.F.R. § 201-32.206(f) (1990), the notice described the equipment to be purchased and its minimum characteristics, in order to allow other firms that might be interested in supplying the required items to identify themselves and submit supporting technical and pricing information.

On July 11, the agency requested prices from the protester and Unisys, and these firms submitted quotes of \$298,600 and \$284,031, respectively. On July 13, the protester advised the agency that it had submitted a price reduction to GSA, which would lower its schedule price to \$273,000.

On July 26, in accordance with its existing contract with Unisys, the agency notified Unisys by letter of its intent to purchase Amperif equipment, for attachment to the Unisys equipment. On August 10, Unisys responded to this notice by providing a temporary price reduction through its own GSA contract, to reduce its price to \$245,970. On August 13, the agency issued a delivery order under the Unisys contract, and this protest followed.

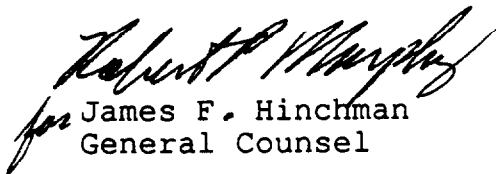
The protester contends that the agency engaged in auction techniques by advising the awardee of its price standing relative to the protester. The protester also notes that FIRMR § 201-32.206, which governs the use of GSA nonmandatory ADP schedule contracts, makes no provision for successive rounds of quotations after receipt of a response to the required CBD notice.

The agency denies telling Unisys the protester's prices, although it acknowledges that Unisys could possibly have computed those prices, since the schedule prices are a matter of public record and since the agency had identified the specific equipment proposed by Amperif in the July 26 letter, as required by its existing contract with Unisys. The agency states, however, that the decision to use the schedule is a matter within the reasonable exercise of the contracting officer's discretion and that the schedule itself allows agencies to accept any price reductions offered prior to award.

Generally, a contractor may institute a general price reduction in its schedule contract at any time during the contract period, provided an equivalent reduction is applied to sales to all federal agencies for the duration of the contract. See National Business Sys., Inc., B-224299, Dec. 17, 1986, 86-2 CPD ¶ 677. We have no basis to conclude that the acceptance of the price reduction offered by Unisys on August 10 was any less proper than acceptance of the reduction offered by the protester on July 13. The record contains no evidence that the agency used the protester's quote to negotiate a lower price from Unisys, nor apart from the disclosures of the technical matters required by its contract with Unisys, did the agency directly advise Unisys of the protester's price or the relative price standing of offerors, in an attempt to obtain a lower quote.

When an agency uses the simplified purchasing procedures under the GSA ADP schedule, it is entitled to issue delivery orders directly to schedule contractors for the supplies it desires. Under these circumstances, an agency is not required to set a common cutoff for the receipt of best and final quotations and may receive sequential quotations. See Kavouras, Inc., B-220058, Dec. 23, 1985, 85-2 CPD ¶ 703. We find that at the time of award, the contracting officer reasonably determined that the Unisys quote represented the lowest overall cost to the government, see 41 U.S.C § 259(b)(3)(B) (1988), and that the decision to place an order against the GSA schedule was reasonable.

The protest is denied.


for James F. Hinchman
General Counsel